

23rd ISSA Symposium - Context Document

Breakout Session 3: Navigating in an Uncertain World

HYPOTHESIS

Navigating uncertainty in financial services requires a strategic approach that considers the key forces that are impacting and disrupting our world. ISSA's 2024 Future of Securities Services paper set out the views of the ISSA Future of Securities Services Working Group on the strategic composite forces driving the Securities Services industry and the impacts of these on the industry and future business models.

The three composite forces identified were:

- **The Changing Geopolitical Environment**

Geopolitics and macroeconomics tend to go hand-in-hand - as geopolitical risks rise, macroeconomics often become more uncertain. With geopolitical and geoeconomic uncertainties occurring across the world, both governments and organizations are re-thinking traditional Securities Services models and considering how to adapt to ensure ongoing stability and resiliency

- **Changes in Investor Behaviour**

Investor behaviour is changing, from predominantly using third-parties (e.g. brokers, financial advisors, private banks) to self-directed (or 'DIY') investing. This has led to disruption to current models with new products and new players coming to market (such as on-line wealth distribution platforms and discount brokers)

- **Technology and Technology Enabled Competition**

Evolving technology – with the growth in tokenized and native digital assets and the advancements in AI and ML – has necessitated new custody and safekeeping capabilities, moving beyond traditional Securities Services models

Stemming from these composite forces, two topics have been identified regarding the existing Securities Services ecosystems and the impact of these forces on traditional custody models. The information provided by these subgroups will be critical in ensuring that ISSA's membership is informed about the changes that are happening, the implications of these changes and the need to adapt to ensure ongoing relevance and resiliency. The topics are:

1. Drivers of Change

When considering existing Securities Services ecosystems, there are multiple factors that could impact these and drive a need to change and adapt. Examples include regulatory evolution, social and demographic changes, macroeconomic factors, geopolitical issues and technological advances as well as others.

This subgroup should first identify these different drivers and their key characteristics. The subgroup should then consider the impacts and implications of these drivers on existing ecosystems.

2. Disruptors and Evolving Models

The three composite forces outlined above are already disrupting and changing existing traditional Securities Services models: for example with the introduction of sanctions, the introduction of faster settlement cycles and increasing levels of AI adoption. Additionally, non-traditional players – whether as competitors or through partnerships and collaboration – are entering the fray offering cloud-based, agile and cost-effective alternatives to legacy custody systems.

This subgroup should consider how existing ecosystems may need to change to handle these disruptions, what potential new models may need be created to accommodate new entrants and what opportunities this disruption can offer to those providers prepared to evolve and adapt.

OBJECTIVE OF THE BREAKOUT SESSION

The objective of the Breakout Session will be to review the overall theme of Navigating in an Uncertain World as well as debate the subgroup topics of:

1. Drivers of Change
2. Disruptors and Evolving Models

The Breakout Session attendees should identify whether there are areas which impact the ISSA membership and broader Securities Services industry and assess what opportunities there are for ISSA to further develop its capabilities in this area.

PRE-READING

Breakout Session participants should read the following collateral to familiarize themselves with the hypothesis prior to the Symposium:

[ISSA-FOSS-Paper-2024_FINAL.pdf](#)

[Is the global financial system fracturing under geopolitical pressure? | Brookings](#)

[Citi-Securities-Services-Evolution-2025.pdf](#)

[11 Emerging Technologies in the Financial Services Industry](#)

QUESTIONS FOR CONSIDERATION

Below is a list of questions that the Breakout Session participants may wish to consider during their discussions:

1. Drivers of Change

- What are the most important market shifts that are impacting the Securities Services industry?
- How will different country and regional demographics drive change?
- How do you see these drivers of change impacting a global vs regional vs local approach as well as insourcing / outsourcing models?

2. Disruptors and Evolving Models

- What is already - and could in the future - disrupt the traditional Securities Services models and what impact will these have on these traditional models?
- Which players do you see as the disruptors?
- How could traditional models evolve to take advantage of this disruption?